

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Alquist & Cunneen Analyst: Kristina North Bill Number: AB 2

Related Bills: See previous analysis Telephone: 845-6978 Amended Date: April 21, 1999

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Exclusion/Educational Assistance Program Payments

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO Support.

☒ REMAINDER OF PREVIOUS ANALYSES OF BILL AS INTRODUCED December 7, 1998, STILL APPLY.

☒ OTHER - See comments below.

### SUMMARY OF BILL

This bill would allow an employee to exclude from gross income the amount that an employer pays or incurs for the employee to take graduate level courses in pursuit of a law, business, medical or other advanced academic or professional degree beginning July 1, 1999, and before July 2, 2007.

### SUMMARY OF AMENDMENT

The April 21, 1999, amendment would allow the exclusion from gross income for only those graduate level courses beginning on or after July 1, 1999, and before July 2, 2007.

The April 12, 1999, amendment added the repeal date of July 1, 2007; however, it inadvertently disallowed the exclusion from gross income for graduate level courses by the placement of the provision within the definition of assistance not excluded from income.

Except for the above discussions, the resulting technical consideration and the updated Board position, the remainder of the department's bill analysis of the bill as introduced December 7, 1998, and its subsequent revised revenue estimate, still apply.

### TECHNICAL CONSIDERATION

The author's staff has indicated its intent that the graduate level courses for which an exclusion is allowed by this bill begin on or after July 1, 1999, and before July 1, 2007, rather than before July 2, 2007. An amendment is provided.

#### Board Position:

☒ S  
☐ SA  
☐ N

☐ NA  
☐ O  
☐ OUA

☐ NP  
☐ NAR  
☐ PENDING

Department/Legislative Director

Date

**Johnnie Lou Rosas**

**5/3/1999**

**BOARD POSITION**

Support.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to take a support position on this bill as introduced December 7, 1998.

Analyst	Kristina North
Telephone #	845-6978
Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 2  
As Amended April 21, 1999

**AMENDMENT 1**

On page 3, line 10, before "after" insert:

on or